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IDAHO PUBLIC  
UTILITIES COMMISSION

2626 Eldorado

Boise, Idaho 83704

Telephone 375-0931

July 11, 2014

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: CASE NO. CAP-W-14-01  
IN THE MATTER OF THE APPLICATION  
OF CAPITOL WATER CORP. TO  
CHANGE ITS SCHEDULE NO. 3  
PURCHASED POWER COST ADJUSTMENT RATE

Dear Ms Jewell:

Enclosed are an original and seven copies of Applicant's comments in reply to the comments of the Commission Staff in this case.

The Commission Staff already has in its' possession the appropriate workpapers in support of these comments.

Sincerely,

Robert Price, President  
Capitol Water Corporation

Robert Price, President  
Capitol Water Corp.  
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Representative for Capitol Water Corp.

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )      CASE NO. CAP-W-14-01**  
**OF CAPITOL WATER CORP. TO )**  
**CHANGE ITS SCHEDULE NO. 3 )      REPLY COMMENTS**  
**PURCHASED POWER ADJUSTMENT RATE)      TO PUC STAFF COMMENTS**

COMES NOW Capitol Water Corporation (“Capitol”, “Applicant” or “Company”), holder of Certificate of Convenience and Necessity Number 239, and files these comments in response to the Commission Staff (Staff) Comments in this case.

Staff and the Company have had numerous discussions subsequent to Staff filing its’ comments. It seems both the Company and the Staff have erred in their calculations. The confusion appears to be in the proper algebraic formulas used to prorate the Company’s electric power bills that straddle the effective dates of Idaho Power Company’s winter and summer rates. Staff and the Company have worked together to develop corrected formulas that both can now agree to.

Attached to these comments is Rebuttal Exhibit No. 2 that reflects the corrected results using the agreed to proper formulas. As shown on line 14 of the exhibit, the percent increase in total revenue is .249% that is only 1/1000<sup>th</sup> of a percentage point less than the .25% revenue band previously established by the Commission.

The Company suggests the Commission reconsider the ordered revenue band test and consider its elimination. It is incumbent on the Company each year to review all of Idaho Power Company’s approved tariffs to determine rate changes and/or new tariff schedules that affect Capitol Water Company’s bills and recalculate bills from the Company’s 2008 test year. Elimination of the revenue band test simply insures the

company recover it's increased costs if Idaho Power Company tariff changes increase the Company's electric power expenses and passes through to customers any benefit of an Idaho Power Company rate reduction.

Also attached to these Comments, for the Commissions' approval should it decide to eliminate the revenue band test, is a revised Capitol Water Company Tariff Schedule No. 3 that reflects the required Purchased Power Cost Adjustment of 4.46% developed on Rebuttal Exhibit No. 2 at line 10.

**CONTACT INFORMATION:**

Questions regarding these Comments should be addressed to:

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Boise, Idaho 83713  
Ph: (208) 761-9501  
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Please provide copies of all correspondence, notices and orders to the above individuals.

Respectfully submitted,



Robert Price, President  
Capitol Water Corporation

Capitol Water Corporation  
Revised Calculation of Purchased Power Cost Adjustment

1 Base Revenue	\$ 651,738	Per Order #30762 in CAP-W-08-02
2 Normalized 3 Yr Average Power Consumption (KWh)	1,454,401	Per Order #30762 in CAP-W-08-02
3 Average Cost per KWh	<u>0.0519</u>	Per Order #30762 in CAP-W-08-02
4 Power Cost Embedded in Basic Rates	\$ 75,483	Line 3 X Line 2
5 Restated Average Cost Per KWh @ New IPC Rates	\$ 0.0711	Calculated in Workpapers
6 Power Cost with New IPC Rates	\$ 103,444	Line 5 X Line 2
7 Power Cost above Embedded Base Power Supply Costs	\$ 27,961	Line 6 - Line 4
8 Rate Case Costs	<u>1,100</u>	
9 Revised Total Expenses above Embedded Base Expenses	\$ 29,061	
10 Total Revenue Required with new IPC Rates	\$ 680,799	
11 Existing Expenses above Embedded Base Rates	\$ 27,373	Line 1 at current PPCA rate of 4.2%
12 Total Current Revenue	\$ 679,111	Line 1 +Line 11
13 Increase or (Decrease) in Power Costs	\$ 1,688	Line 9 - Line 11
14 % Increase or (Decrease) in Total Revenue	0.249%	(Line 10 - Line 12) / Line 12
15 Exceeds +/- 0.25% Revenue Band?	No	
16 Purchases Power Cost Adjustment (PPCA) Required	4.46%	

Tariff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility		(Approval Stamp)
<b>CAPITOL WATER CORPORATION</b>		

**SCHEDULE NO. 3**

**OTHER RECURRING AND NON-RECURRING CHARGES**

**RECURRING CHARGES**

Applicable: To all customer bills

**Purchased Power Cost Adjustment:**

Beginning October 1, 2014 all customer bills will be increased by 4.46% for recovery of the Company's costs of electric power related to changes in Idaho Power Company's Rate Schedules

**City of Boise Franchise Fee:**

All customer bills will be increased by 3% for payment of Franchise Fees assessed by the City of Boise.

**Department of Environmental Quality Fee:**

All customer bills will be increased by \$0.34 to collect the assessment required by the Idaho Department of Environmental Quality.

**NON-RECURRING CHARGES**

Applicable: To all customer bills

**Reconnection Charges:** A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Uniform Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge \$20.00

The following "Customer Requested Service Calls" charges also apply.

**Customer Requested Service Calls:** During Normal Business Hours \$0.00  
 Other Than Normal Business Hours \$20.00

Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices

**Returned Check Charge:** In the event a customer's check is returned by the Company's bank for any reason, the Company will charge the customer's account a reprocessing fee of \$15.00

**Meter Testing Fee:** Not Currently in Use.

Per Commission Order No.

Issued September 1, 2014 Effective October 1, 2014

By Robert Price Title President